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Service Date: June 2, 1995

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application)	UTILITY DIVISION
Of The City of Ronan To Increase)	DOCKET NO. 95.4.16
Rates And Charges For Sewer Service)	ORDER NO. 5850
In Its Ronan, Montana Service Area.)	

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ORDER GRANTING UNPROTESTED SEWER RATE INCREASE APPLICATION

BACKGROUND

1. On April 13, 1995, the City of Ronan (Applicant) filed an Application with the Montana Public Service Commission (PSC) pursuant to Sections 69-7-101 et seq., MCA, for an order authorizing the Applicant to increase sewer rates in its Ronan, Montana service area. This increase will provide revenues to defray increased operation and maintenance expenses and to repay a loan from the State Revolving Loan Fund taken to conduct capital improvements to the system. The rate increase will generate approximately \$59,000 in additional annual revenues, or an increase of 53 percent in total annual revenues to the sewer utility.
2. On April 18, 1995, the PSC issued a Notice of Opportunity For Public Hearing. A provision in that notice stated, "If no hearing is requested by May 17, 1995, no hearing will be held and an appropriate order may be issued based upon evidence submitted with the Application."
3. The PSC has received no protest or request for hearing.

FINDINGS OF FACT

4. On March 20, 1995, the City Council of the City of Ronan passed a resolution to request PSC approval of the proposed rates.

5. The City needs additional revenue to defray increased operation and maintenance expenses associated with the improvements planned by the City.

6. The City completed a study which concluded that there are improvements that need to be conducted, including the rehabilitation of the treatment lagoons. This upgrade will consist of an improved aeration system in the cells and the construction of a wetlands for final treatment. The City will also rehabilitate two of the sewer system's lift stations and will expand the system.

7. The City will fund these activities through grants from Treasure State Endowment, Community Development Block Grants and the Montana Department of Health and Environmental Sciences. The City will also take a loan from the State Revolving Loan Fund.

8. The proposed rates will increase annual revenues by approximately \$59,000, or an increase of 53 percent in total annual revenues to the sewer utility.

9. The Commission reviewed the Application to determine the reasonableness of the request. Because there were no interveners the record upon which the Commission could base its decision did not contain any opposing views.

10. Based upon the evidence submitted with the Application, the Commission accepts the City's proposed Application.

CONCLUSIONS OF LAW

1. The Applicant, the City of Ronan, is a public utility as defined in §69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction

over municipal utility rate increase Applications in excess of 12 percent in total annual revenues. Section 69-7-102, MCA.

2. The PSC has provided adequate public notice and an opportunity to be heard as required by Section 69-3-303, MCA, and Title 2, Chapter 4, MCA (Montana Administrative Procedures Act). The Commission has received no protest or requests for hearing.

3. Based on the record, the rates and rate structure in this order are just and reasonable. Sections 69-3-201 and 69-3-330, MCA.

ORDER

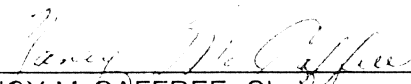
IT IS HEREBY ORDERED THAT:

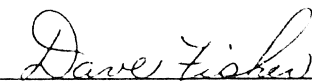
1. The City of Ronan shall file rate schedules, consistent with the Findings of Fact herein, for its Ronan, Montana service area.

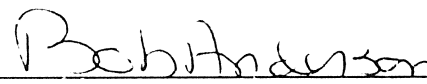
2. The rates approved in this Order shall not become effective until the tariffs and loan agreement(s) have been submitted for review by the PSC.

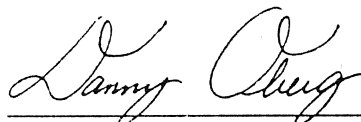
DONE IN OPEN SESSION at Helena, Montana on this 30th day of May, 1995,
by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION


NANCY McCAFFREE, Chair



DAVE FISHER, Vice Chair


BOB ANDERSON, Commissioner


DANNY OBERG, Commissioner


BOB ROWE, Commissioner

ATTEST:


Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.